



EXHIBIT 4 AULT
DATE 2-6-09
HB 325

Colorectal Cancer Screening – An Affordable Way to Save Lives: *Explanation of the Lewin Analysis*

The data for this document were calculated for the American Cancer Society in a study conducted by The Lewin Group. The Lewin Group is a well-respected health policy consulting firm based in Washington, DC.

One common argument against insurance coverage for the full range of colorectal cancer screening tests – including colonoscopy – is that it is too expensive. As a leading advocate for assuring that cancer patients have access to quality cancer care, the American Cancer Society commissioned a study to provide more information about the costs associated with insurance coverage for colorectal cancer screening tests. Thanks to the report we can definitively confirm that costs associated with colorectal cancer screening tests are *not* prohibitive. In fact, the data show that colorectal cancer screening is a cost effective way to save lives.

The Society commissioned The Lewin Group to analyze the varying costs of colorectal cancer screening in terms of the Per Member Per Month (PMPM) costs – a standard figure that determines the “price tag” of a new benefit to individual plan members.

The study used mathematical modeling to estimate the short-term costs of adding colonoscopy to a health plan’s list of colorectal cancer screening options, as compared with FOBT and flexible sigmoidoscopy. The model captured all immediate events following each screening test and the associated costs for all follow-up procedures. For example, the model includes treatment costs for colorectal cancers detected through screening and takes into account that colonoscopies are needed as follow up to other positive colorectal cancer screening tests.

As a benchmark, The Lewin Group also compared the costs of colorectal cancer screening to mammography screening, a widely covered screening exam, and found that all colorectal cancer screening tests are also well below the costs of mammography.

The cost of colorectal cancer screening and follow up care to consumers are very reasonable for all tests.

The results show that all costs associated with colorectal cancer screening are reasonable.

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| Annual FOBT: | \$0.47 PMPM |
| Annual FOBT/Flexible Sigmoidoscopy@ 5 years: | \$0.66 PMPM |
| Colonoscopy@ 10years: | \$0.55 PMPM |
| Annual Screening mammography | \$0.75 PMPM |

While the low cost may seem counterintuitive, when real-life factors are taken into account -- factors such as typical screening rates, the percentage of enrollees that qualify for screening and the recommended frequency of screening – colorectal cancer screening emerges as an effective and affordable benefit for health plan members.

The data challenge the assumption that colonoscopy is the most expensive test.

Most interestingly, the data indicate that colonoscopy done once every 10 years is actually less costly in terms of PMPM costs than flexible sigmoidoscopy every 5 years combined with annual FOBT. Colonoscopy every 10 years is actually *11 cents less* costly in terms of PMPM costs. Given that insurers largely are already offering FOBT and flexible sigmoidoscopy, there is no compelling economic reason not to expand coverage to offer screening colonoscopy as well, since it is less costly. Adding colonoscopy removes financial barriers and allows doctors and patients to choose the best screening test for that individual.

The costs of colorectal cancer screening are in line with other well-accepted tests that are covered by insurance.

Colorectal cancer screening strategies are less costly than annual screening mammography – a screening strategy protected by law in 49 states. When the PMPM cost of screening mammography is calculated, the cost of screening mammography turns out to be 75 cents PMPM, which is nine cents more PMPM than flexible sigmoidoscopy and FOBT combined and *20 cents more than colonoscopy*.

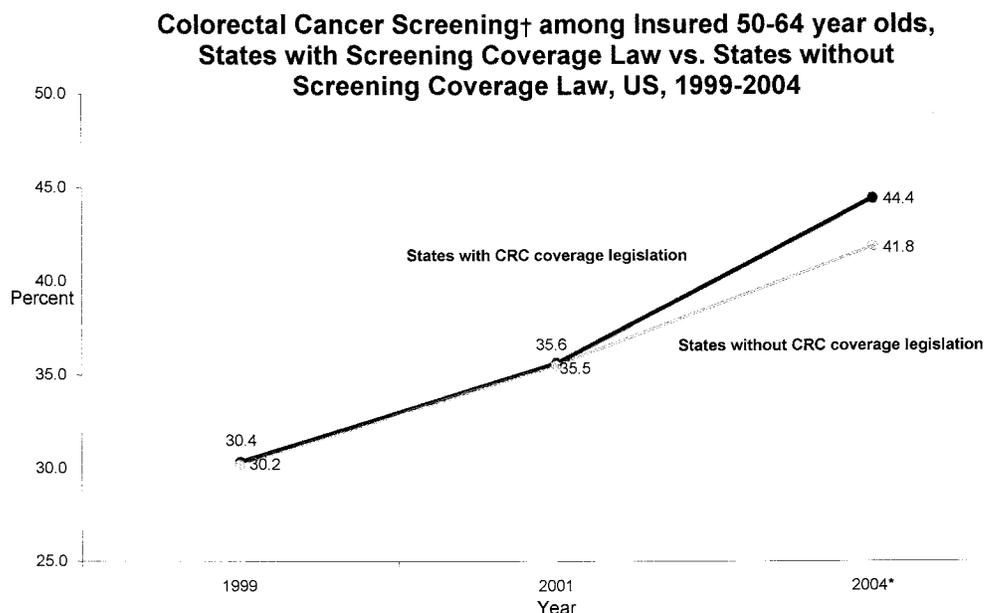
As in all decisions affecting one's medical care, the Society believes the decision about which screening tests are appropriate should be made between physician and patient – not the insurance company.

The bottom line is that coverage for colorectal cancer screening is an important step toward reducing the number of Americans who die needlessly from colorectal cancer each year. The reasonable cost associated with colorectal cancer screening makes it a wise investment. We have a tremendous opportunity to save lives through colorectal cancer screening – it is an opportunity that we should not waste.

*National Government Relations Department
Updated March 2005*



Screening Rates Rose Faster in States with Colorectal Cancer Screening Coverage Laws



Source: Behavioral Risk Factor Surveillance System Public Use Data Tape 1999, 2001, 2004, National Center for Chronic Disease Prevention and Health Promotion, Centers for Disease Control and Prevention, 1998, 2000, 2005. *In 2004 CRC screening rates between states grouped according to CRC coverage legislation were significantly different, ($p < 0.001$). [†]An endoscopy (tests include sigmoidoscopy or colonoscopy) within the past five years.

Increased Rates of Colorectal Cancer Screening Will Save Lives

Colorectal cancer (CRC) is the third most commonly diagnosed cancer and the second most common cause of cancer death in the United States. In 2006, an estimated 148,610 new CRC cases will be diagnosed and an estimated 55,170 deaths will be caused by it. The real tragedy is that many of these cancer cases and deaths occur needlessly, as they could be prevented if more people took advantage of regular CRC screening. Screening and early detection saves lives. When CRC is diagnosed at the earliest stage, the 5 year survival rate is 90 percent. However, when the disease is not diagnosed until it has spread to distant organs, the 5 year survival rate is only 10 percent. Furthermore, the disease can even be prevented through the early identification and removal of pre-cancerous polyps, detectable only through CRC screenings. It is critical, therefore, that barriers to screening be eliminated.

State Insurance Coverage Laws Are Associated with Higher Screening Rates

CRC screening rates have increased throughout the nation in the last several years; however, screening rates for this deadly disease are still far too low with rates hovering around 50%. Between 1999 and 2001, eleven states[‡] passed laws requiring insurers to cover the full range of CRC screening tests in an attempt to remove financial barriers to screenings and bring screening rates up. A recent analysis by the American Cancer Society shows that CRC screening rates have risen faster and are significantly higher in states that have passed these coverage laws. From 1999 to 2001, the CRC screening rates were similar in all states, as the graph above shows. As these laws had time to take effect, the rates of screening rose significantly higher in states with coverage laws than those states without such laws. As more states pass CRC screening coverage laws, more Americans will likely benefit from these life saving exams.

[‡]MO, IN, VA, WV, DE, RI, TX, NC, MD, CT, and NJ were the first states to pass laws protecting insurance coverage for the full range of colorectal cancer screening exams. Currently, 19 states plus the District of Columbia have laws on the books protecting coverage.

Amendments to House Bill No. 325
1st Reading Copy

Requested by Representative Diane Sands

For the House Human Services Committee

Prepared by Lisa Mecklenberg Jackson
February 6, 2009 (11:31am)

1. Page 1, line 23.

Following: "current"

Insert: "U.S. preventive services task force guidelines or the"

2. Page 1, line 26.

Following: "current"

Insert: "U.S. preventive services task force guidelines or the"

3. Page 2, line 3.

Strike: "of the American cancer society"

4. Page 2, lines 4 through 8.

Strike: subsection (5) in its entirety

Insert: "(5) Coverage for early detection screening examinations and tests covered by subsection (1) is subject to a maximum benefit of \$1,200 for a 12-month period. Benefits provided under subsection (1) may not be construed as otherwise limiting benefits available for the treatment of colon cancer. Nothing in this subsection prohibits an insurer from providing a greater benefit.

(6) Coverage under this section may be subject to deductibles, coinsurance, and copayment provisions. Special deductibles, coinsurance, copayment, or other limitations that are generally not applicable to other medical care covered under the plan may not be imposed on the coverage for colorectal cancer screening."

Renumber: subsequent subsection

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